

BE-22 FAQs

Why do I need to complete the BE-22? Is this survey mandatory?

Reports on this form are required in order to obtain reliable and up-to-date information on selected services transactions between U.S. persons and unaffiliated foreign persons. The information will be used to help support trade negotiations, formulate U.S. policy, and analyze the impact of that policy and the policies of foreign countries, on international trade in services. The data will also be used in compiling the U.S. balance of payments and national income and product accounts. This survey has been mandated by Congress under the authority of the International Investment and Trade in Services Survey Act.

U.S. entities who receive this survey, or who have services transactions with unaffiliated foreign persons are required to complete this survey and send the completed survey back to the Bureau of Economic Analysis. Whether they need to complete the Schedules on the survey, or merely the exemption claim on the survey, depends on whether they have any reportable transactions and the amounts of such transactions.

Data reported on this survey is confidential and may be used only for analytical or statistical purposes. Without your prior written permission, the information filed on the survey CANNOT be presented in a manner that allows it to be individually identified. Your survey CANNOT be used for purposes of taxation, investigation, or regulation. Copies retained in your files are immune from legal process.

The address and/or the attention person you sent this form to is no longer current. How do I update it?

You can update your company's address and attention person by crossing out the incorrect information at the top of the front page of the form and writing in the new address and attention person, or you may call (202) 606-9877 and we will update our files right away.

I believe I am exempt in filing data on the Schedules on this survey. How do I file an exemption?

Look on front page of the form where it says "Determination of reporting status". Check box 3, complete the section stating "Person to consult concerning questions about this report" and sign the certification section below that. Go to page 2, where it states "Exemption claim".

—If you were not in existence at any time during the reporting period, then mark Box A.

—If you were owned to the extent of more than 50% of your voting stock by another U.S. enterprise, then mark Box B and, to the right, specify the name and address of your top U.S. parent.

—If you had no services transactions, either sales or purchases, of the types of services covered on the BE-22, then mark Box C.

—If you had services transactions, either sales or purchases, but total sales of each type of service covered on the BE-22 did not exceed \$1,000,000 (and you don't wish to report voluntarily on the

Schedules), then mark Box D and, to the right, report the total sales/purchases of services that you had with unaffiliated foreign persons.

Return the form to us as instructed.

Can I fax the completed form to you to save time?

Certainly. Our fax number here is (202) 606-5318. It is not necessary to address it to anyone's attention.

Can I email my completed form to you to save time?

Yes, but only if you completed the Microsoft Excel version of the form. Other versions are too large to transmit via electronic mail. You may email a completed BE-22 in MS Excel format to steven.muno@bea.gov.

How can I get a MS Excel version of this form?

You can get a MS Excel version of the BE-22 by sending an email to be-22@bea.gov. This is an automated system, and it will automatically send you an excel version of the form right back. If you do not receive one right away, either call (202) 606-9877 or email steven.muno@bea.gov for assistance. To receive an Excel version of the BE-93, simply send an email to be-93@bea.gov.

Can I complete the form online?

Yes, you may file electronically at www.bea.gov/atar. It will give you instructions on completing the BE-22 online.

An entity in our company which engaged in BE-22 transactions and reported data in the past was sold during the fiscal year for which you're requesting data. Am I still responsible for reporting their data?

Yes. You should report any applicable transactions for that company from the beginning of the fiscal year up until the time that the entity was sold. That entity's new parent company should report any applicable transactions from the time they began ownership until the end of the fiscal year.

You're requesting data for fiscal year end 2003, but our fiscal year ends March 31, 2004. What should I do?

You should report for the period April 1, 2002 until March 31, 2003. If your fiscal year ends on January 31, you should report for the period beginning February 1, 2002 and ending January 31, 2003.

Do I need to submit a hard copy of the BE-22 form if I'm submitting the form by fax or electronically?

No. A single submission, whether by mail, fax, or electronically, is sufficient.

What is an “unaffiliated foreign person”?

An affiliate is defined as any entity that your company has at least a ten percent direct ownership in, or a company that has at least ten percent direct ownership in you. Anything less than ten percent direct ownership would be considered unaffiliated. Foreign is defined as a person or entity that is not physically located within the United States, Puerto Rico, or U.S. territory such as Guam or the Marshall Islands. Person is defined as any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization, and any government.

We purchase services from a German company, but we send the payments to a Swiss bank. How should we report this transaction?

Since your contract is with a German entity, you should report this as a transaction with Germany. Where the money actually goes is irrelevant, even if you were to send your payments to a bank in New York City.

We provide services to a U.S. affiliate of a German company. Is this transaction applicable to the BE-22?

No. Since you’re dealing with a U.S. affiliate of that German company, and your contract stipulates that transactions are to take place between you and them, then this would be considered a domestic transaction and therefore not applicable to the BE-22.

Does licensing the rights to something (such as an industrial process, recordings, or general-use computer software) go on the BE-22?

No. Royalties and license fees should be reported on the form BE-93, Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights between U.S. and Unaffiliated Foreign Persons.

What about tangible goods?

No tangible goods should be reported on the BE-22, nor the BE-93. Remember, the BE-22 is a survey of selected services, such as accounting, advertising, and legal services. The BE-93 is a survey of intangibles, such as licensing fees, patent royalties, IRU’s, trademark royalties, etc.

Should I report on an accrual basis or a settlements basis?

All transactions should be reported on an accrual basis except for telecommunications services. Telecommunications services should be reported on a settlements basis.

Should I net payables against receivables?

No. Please report on a gross value basis. Receipts are reported on Schedule A and payments are

reported on Schedules B and C of the BE-22 form.

When reporting data by country, can regions be used instead?

Generally, no. We collect data by country, not by region. However, international organizations (such as the United Nations, the World Bank, and the International Monetary Fund) are, according to balance of payments conventions, considered to be foreign countries, even if they are headquartered in the United States. Transactions with these organizations should be reported on the BE-22.

How should I report receipts/payments data on the BE-22?

Report data in U.S. dollars rounded to thousands (omitting 000). For example, \$1,455,328 should be reported as 1,455 and \$2,328,596 should be reported as 2,329. Amounts less than \$500 round to 0 and should, therefore, be omitted.

How do I indicate on the BE-22 what type of services I am selling/purchasing?

Both Schedule A (U.S. Reporter's Sales of Selected Services to Unaffiliated Foreign Persons) and Schedule B (U.S. Reporter's Purchases of Selected Services from Unaffiliated Foreign Persons) have lists of services that are covered on those particular schedules. Each type of service has a number corresponding to it (for example, legal services is service #8 and telecommunication services is service #4). Near the top of Schedules A and B, there are several columns headed by "Service number:". Just right below that, write in the number that corresponds to the type of service that you are reporting. If you have more types of services than columns provided, simply report them on the overflow sheets provided or write the data on a separate sheet of paper, making sure that you list the proper service type with the proper country.

Schedule C (U.S. Reporter's Purchases of Financial Services from Unaffiliated Foreign Persons) does not require service numbers, since the types of services covered are already printed on their own columns on that Schedule.

I have transactions with countries that are not listed on the BE-22. Should I include those on the survey?

Yes, include services transactions that you have with all countries (even those that are not listed on the form). Write in the names of the countries on the lines below where it says "Other-Specify". If you run out of space, use the overflow sheets provided or write the data on a separate sheet of paper, making sure that you list the proper service type with the proper country.

My company purchased legal services from three countries: \$200 thousand from Italy, \$500 thousand from the United Kingdom, and \$100 thousand from Singapore (totaling \$800 thousand). How should I report the data?

You have a couple of options. You could report this data on Schedule B under service # 8, legal services, and break it out by country. Because the total purchases of this particular type of

service totaled less than \$1 million, you have a second option of reporting this data on Schedule B under service #8, legal services without breaking it out by country but only reporting the total purchases of legal services on line 32.

Note - if total purchases/sales of a particular type of service with unaffiliated foreign persons totaled greater than \$1 million, then you have to break out the data by country (even if all the countries were less than \$1 million).

Which types of computer and data processing services transactions should be reported on the BE-22, and which types should be reported on the BE-93?

First of all, the value of any prepackaged or “canned”, general use computer software that is physically shipped either to or from the United States should be excluded from both forms. This also applies to the licensing fee that is included in the price of this software package. As with any tangible good that crosses U.S. borders, this transaction should be reported to the U.S. Customs Department.

On the BE-22, service #2, computer and data processing services, covers data entry processing (both batch and remote), and tabulation services; computer systems analysis, design, and engineering; custom software and programming services (including web site design); integrated hardware/software systems (which only includes transactions where the provider purchases hardware manufactured by an outside company and combines it with its own software to produce an integrated system); and other computer services (e.g., timesharing, maintenance, web site management, and repair). Operational leasing of computer and data processing equipment is not reported under service #2 but, rather, reported under service #29, operational leasing.

The BE-93 only covers licensing fees associated with the right to distribute general use software that is electronically transmitted or made from a master copy. “General Use” software means any type of software that does not have to be customized or altered for each particular client. In other words, if you’re selling the same software package to 100 different customers without having to materially alter that software in any way, then it’s “general use” software. If you have to alter a line of code for a specific client, then it’s “customized software”, and should be reported on the BE-22. Report on the BE-93 any licensing fees for software that is downloaded from the Internet.

Where should I report domain name registration and web hosting fees?

Report domain name registration fees on the BE-93, under column 5, trademarks. Web hosting is considered a computer service, and should be reported on the BE-22, under service #2, computer and data processing services.

Should I report all services not otherwise listed on the BE-22 under service #30, other private services?

No. The BE-22 collects data only on “selected” services. Service #30, other private services, collects data only on the following services: language translation services, salvage services, security services, collection services, satellite photography and remote sensing/satellite imagery

services, space transport, and transcription services. Services that are not listed on the BE-2 should not be reported on the BE-22.

My company has been hired by the U.S. Government to provide consulting and training to organizations located in India. Are such transactions reported on the BE-22?

Yes, if these services are provided abroad for U.S. Government nonmilitary agencies, such as the Agency for International Development, or that are part of an aid or technical cooperation program of the Government with foreign persons (for the transaction mentioned above, report it as a sale to India). However, do not report services provided to the U.S. Department of Defense or any of its agencies, such as the Army Corp of Engineers.

My company provides engineering services on the construction of a dam in Ecuador. Is such a transaction reported on the BE-22 under sales of service #10, Industrial Engineering Services?

No. Only sales of engineering services related to the design of moveable products (such as automobiles and appliances) are reported on the BE-22. Sales of engineering and architectural services that relate to immoveable products, such as relating to dam, buildings, mining projects are reported on a special survey, the BE-47, Annual Survey of Construction, Engineering, Architectural, and Mining Services Provided by U.S. Firms to Unaffiliated Foreign Persons.

Purchases of engineering services from unaffiliated foreign persons, whether on moveable or immoveable products, are reported on the BE-22. Purchases of engineering services on moveable products are reported under service #10, Industrial Engineering Services. Purchases of engineering services on immoveable products are reported under service #25, Engineering, Architectural, and Surveying Services. Purchases of construction services are reported under service #24 and purchases of mining services are reported under service #25.

What is merchanting services?

Merchanting services occurs when a U.S. company purchases a good (such as oil or grain) abroad (whether from affiliated or unaffiliated foreign persons) and, without importing that good into or exporting that good from the U.S. or performing any significant processing of that good, it resells that good to an unaffiliated foreign person. The value of the merchanting service is the difference between the original purchase price of that good and the resale price of that good. Revenues from merchanting services can be either positive or negative in value and are reported for the country to which the good was resold (although the BE-22 allows the option of reporting total merchanting services revenue from unaffiliated foreign persons without breaking out data by country). On the BE-22, merchanting services are only reported as revenues (sales). Payments (purchases) for merchanting services are not reported on the BE-22.

My company is a brokerage house and we paid fees on a securities transaction to an unaffiliated brokerage house in Switzerland. Are such fees reportable on the BE-22 on Schedule C - U.S. Reporter's Purchases of Financial Services from Unaffiliated Foreign Persons?

No. Schedule C on the BE-22 only covers direct purchases from unaffiliated foreign persons of financial services by U.S. firms that are not financial services intermediaries or providers. For example, financial services purchased directly from unaffiliated foreign persons by a U.S. manufacturing firm are covered on Schedule C of the BE-22, but financial services purchased by a U.S. bank or brokerage house are not covered.

U.S. financial services intermediaries and providers who purchase financial services from unaffiliated foreign persons report such transactions on a special survey, the BE-82, Annual Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons. Sales of financial services to unaffiliated foreign persons by U.S. financial services intermediaries and providers are also reported on the BE-82.

U.S. companies that have both financial and nonfinancial subsidiaries report financial services purchases by their financial subsidiaries on the BE-82 and report financial services purchases by their nonfinancial subsidiaries on the BE-22. U.S. financial services intermediaries and providers continue to report their purchases and sales of nonfinancial services on the BE-22. (\$1 million).